



PACIFIC GLOBAL  
Investment Management Company

## Weekly Recap

June 26, 2026

### Market Returns

INDEX <sup>1</sup>	CLOSE	WEEKLY CHANGE	YTD CHANGE
Dow Jones Industrial Avg.	51,876.11	311.41 / 0.60%	7.93%
S&P 500 <sup>®</sup>	7,354.02	-146.56 / -1.95%	7.43%
Nasdaq	25,297.62	-1220.31 / -4.60%	8.84%
Russell 2000 <sup>®</sup>	3,010.08	30.31 / 1.02%	21.28%

  

	06/26/26 CLOSE	06/26/25 CLOSE
10-Year U.S. Treasury	4.38%	4.26%

Data: The Wall Street Journal, Federal Reserve

### The Bottom Line

Investors sold *Technology* stocks over concerns of rising costs and supply constraints in favor the broader market. The Russell 2000<sup>®</sup> Index (1.02%) and the Dow Jones Industrial Average (0.60%) posted gains for the week while the S&P 500<sup>®</sup> Index (-1.95%) and Nasdaq (-4.60%) declined for five consecutive days. Notably, the year-to-date performance gap between the Russell 2000<sup>®</sup> and the Nasdaq continues to widen. The S&P 500<sup>®</sup> unweighted Index (9.96%) has outpaced the S&P 500<sup>®</sup> Index (7.43%). The yield on the 10-Year U.S. Treasury Note declined from 4.45% last Thursday to 4.38%, the lowest yield since early May.

The technology sector is facing challenges as demand for memory and other processing chips is outstripping supply. The shortage explains, at least in part, *Apple's* announced 15% to 25% price increases on new MacBooks and iPads. Also, **AI** costs, for permits, equipment and energy supplies, continue to rise as demand for materials and manufacturing capacity outpace supply; the resulting uncertainties call into question the revenue opportunities relative to the costs of **AI** computing. *SpaceX*, which went public on June 12<sup>th</sup>, declined 59% from its June 16<sup>th</sup> high of \$211 per share.

The second revision of **Q1 GDP** rose to 2.1%, up from 1.6%. The Federal Reserve's closely-watched **core PCE** readings for May rose as expected: 0.3% for the month and 3.4% year-over-year. **Durable goods orders** fell 4.5% after an upwardly revised 8.5% surge in April; retail sales rose 0.9% following a downwardly revised 0.4% gain in April. **Initial Jobless Claims** (215,000) were lower than consensus (225,000) while **Continuing Claims** of 1.821 million were higher than projections (1.800 million). **June US Michigan Consumer Sentiment** was revised higher to 49.5, up from a preliminary reading of 48.9 but still below estimates of 50.0.

A drone attack by Iran on a cargo ship, followed by retaliatory airstrikes by the U.S., put the ceasefire on shaky ground even as negotiations on the memorandum of understanding continued. Shipments of crude oil through the Strait of Hormuz resumed to pre-war levels then stalled pending clarification of transit rules and mine clearance. *JPMorgan*, *Goldman Sachs*, *Morgan Stanley* and *Wells Fargo* each raised 2026 target estimates

for the S&P 500® on the strength of corporate earnings. Falling oil prices, which ended the week near prewar levels, raised hopes that inflation may soon moderate and lessen expectations for significant interest rate increases. Companies are entering the quiet phase prior to second quarter earnings reports. The broader equity market has benefited from the challenges facing the *Technology* sector. Geopolitical concerns, while easing somewhat, remain a threat. Trading during the next week's holiday-shortened schedule may experience some volatility in the runup to quarter-end.

***Due to next week's holiday-shortened schedule, we will not publish a Weekly Recap.***

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<sup>1</sup>The Dow Jones Industrial Average is an unmanaged, price weighted measure of 30 U.S. stocks selected by the Averages Committee to represent the performance of all U.S. stocks outside the Transportation and Utilities sectors. The S&P 500® Index is an unmanaged, market capitalization weighted index which measures the performance of the large cap segment of the U.S. equities market, covering approximately 75% of the U.S. equities market. The Index includes 500 leading companies in leading industries of the U.S. economy. The Nasdaq Composite Index is an unmanaged, market capitalization weighted measure of all domestic and international common stocks listed on The Nasdaq Stock Market. The Russell Midcap® Index measures the 800 smallest companies within the Russell 1000® Index based on a combination of their market cap and current index membership. The Russell 2000® Index is an unmanaged, market-weighted measure of stock market performance. It contains stocks of the 2,000 smallest publicly traded companies of the Russell 3000® Index. It is not possible to invest in the Indices.

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